

Lawyers' Assistance Program, Inc.

**Financial Statements
And Independent Auditor's Report
December 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 11 2013

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Deborah Rollo CPA
832 E Boston Street
Unit 16
Covington, LA 70433
Phone: 985-875-0500 Fax: 985-875-9511
drollocpa@gmail.com
Independent Auditor's Report



To the Board of Directors

Lawyers' Assistance Program, Inc.

Mandeville, Louisiana

Report of the Financial Statements

I have audited the accompanying financial statements of Lawyers' Assistance Program, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of American; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on our audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable⁴ assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

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estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawyer's Assistance Program, Inc as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated April 10, 2013 on my consideration of Lawyer's Assistance Program, Inc's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Lawyers' Assistance Program, Inc's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Deborah Rollo" with a stylized flourish at the end.

Deborah Rollo CPA

Covington, Louisiana

April 10, 2013

Lawyers' Assistance Program, Inc.

**Statement of Financial Position
December 31, 2012**

ASSETS

Current Assets:

Cash and cash equivalents	\$	323,347
Accounts receivable		30,000
Prepaid insurance		<u>908</u>

Total Current Assets **354,255**

Property and equipment,
net of accumulated depreciation of \$4,147 **13,200**

Other Asset:
Deposit **2,250**

TOTAL ASSETS **369,705**

LIABILITIES AND NET ASSETS

Current Liabilities:

None

Net Assets:

Unrestricted net assets **369,705**

TOTAL LIABILITIES AND NET ASSETS **\$ 369,705**

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

**Statement of Activities
For the Year Ended December 31, 2012**

REVENUES AND OTHER SUPPORT

Tobacco settlement	\$ 120,000
Louisiana State Bar Foundation	153,400
Self - generated	52,350
State funds (judiciary)	30,000
Interest income	57
Other	<u>465</u>
TOTAL REVENUES AND OTHER SUPPORT	356,272

FUNCTIONAL EXPENSES

Program services	
Substance abuse counseling	119,553
Supporting services	
Management and general	<u>75,800</u>
TOTAL FUNCTIONAL EXPENSES	<u>195,353</u>

INCREASE IN NET ASSETS	160,919
NET ASSETS, BEGINNING	<u>208,786</u>
NET ASSETS, ENDING	\$ <u>369,705</u>

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

**Statement of Functional Expenses
For the Year Ended December 31, 2012**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Substance</u>	<u>Management</u>	
	<u>Abuse</u>	<u>and</u>	
	<u>Counseling</u>	<u>General</u>	<u>Total</u>
Salaries, executive director	\$ 77,917	\$ -	\$ 77,917
Salaries, other	-	35,124	35,124
Pensions contributions	4,675	300	4,975
Payroll taxes	4,381	1,975	6,356
Accounting fees	-	3,617	3,617
Advertising & promotions	150	-	150
Bank fees	-	99	99
Continuing education	580	-	580
Depreciation	-	2,646	2,646
Dues and subscriptions	435	-	435
Insurance	9,622	6,755	16,377
Meals and lodging	2,838	-	2,838
Medical consultant	2,350	-	2,350
Mileage reimbursement	4,820	167	4,987
Moving services	-	464	464
Office expense	-	5,306	5,306
Postage	-	1,491	1,491
Printing	3,447	47	3,494
Rent	-	11,245	11,245
Repairs and maintenance	-	459	459
Miscellaneous expenses	-	587	587
Seminars	455	-	455
Telephone	1,558	3,022	4,580
Training, workshop	4,409	-	4,409
Travel	1,916	-	1,916
Utilities	-	2,496	2,496
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Total	\$ <u>119,553</u>	\$ <u>75,800</u>	\$ <u>195,353</u>

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

**Statement of Cash Flows
For the Year Ended December 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 160,919
Adjustments to reconcile decrease in net cash flows used in operating activities:	
Depreciation	2,646
Increase in accounts receivable	(10,000)
Decrease in prepaid expenses	1,502
Increase in deposits	(1,500)
Decrease in accrued expenses	<u>(2,361)</u>
Net cash flow used in operating activities	(9,713)

CASH FLOWS USED IN INVESTING ACTIVITIES:

Purchases of property and equipment	<u>(10,083)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 141,123

CASH AND CASH EQUIVALENTS, BEGINNING 182,224

CASH AND CASH EQUIVALENTS, ENDING \$ 323,347

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lawyers' Assistance Program, Inc. was organized in Louisiana as a non-profit organization to provide substance abuse counseling and referral services to members of the Louisiana legal profession battling alcoholism or other substance abuse conditions.

Significant accounting policies are as follows:

A. BASIS OF ACCOUNTING

The Financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

B. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

C. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, accounts receivable, and accounts payable. Management estimates that the fair value of all financial instruments as of December 31, 2012 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

D. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation is computed utilizing the straight-line method over estimated useful lives of three to seven years. Property and equipment acquisitions are capitalized if the purchase price exceeds \$200 and the asset has a useful life of greater than one year.

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are recognized.

E. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lawyers' Assistance Program, Inc.

**Notes to the Financial Statements
For the Year Ended December 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. INCOME TAXES

The Organization operates as a non-profit entity and has been granted tax exempt status by Internal Revenue Service (IRS) under Section 501(c) (3) of the Internal Revenue Code and has been determined by IRS not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Organization's exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

G. DONATED SERVICES

Certain members of the Board of Directors have donated significant amounts of time to the Organization. The value of this contributed time is not reflected in these statements as it is not susceptible to recording as per FASB 116.

H. REVENUE RECOGNITION

Under the standards contained in the AICPA Audit and Accounting Guide, Audits of Voluntary Health and Welfare Organizations, contributions are recorded when received unless susceptible to accrual. For the year ended December 31, 2012, \$30,000 was receivable and expected to be collected within a year.

I. NET ASSETS

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Lawyers' Assistance Program, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets are subject to donor-imposed stipulations that may or will be met, either by action of Lawyers' Assistance Program, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2 – CONTINGENCIES

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization maintains its cash in a financial institution located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the interest-bearing balances up to \$250,000 at these institutions. The Organization's deposits exceeded FDIC coverage at times during the year.

Lawyers' Assistance Program, Inc.

**Notes to the Financial Statements
For the Year Ended December 31, 2012**

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2012:

	Depreciable <u>Lives</u>	
Office Equipment	5-7 years	\$ 17,347
Accumulated depreciation		<u>(4,147)</u>
Net property and equipment		<u>\$ 13,200</u>

Depreciation expense for all property and equipment is charged to management and general expense and totaled \$2,646 for the year ended December 31, 2012.

NOTE 4 – GRANT/STATE FUNDS

The Organization is the recipient of appropriated funds from the State of Louisiana Judicial Branch to pay for program professional services provided by the Organization. The amount of state funds received during the year ended December 31, 2012 was \$30,000.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization has entered into an agreement with an attorney with extensive experience in substance abuse counseling to serve as Executive Director. The management agreement states in part that the attorney will provide all program administrative functions. The Executive Director is an employee of the Organization and receives a salary as compensation for his services. Additionally, the Organization provides reimbursement to the Executive Director for expenses incurred in the operations of the program. During 2012, The Executive Director received a total of \$4,820 as reimbursement for expenses incurred. All reimbursements are reviewed and approved by the Treasurer before any payment may be made to the Director.

NOTE 6 – PENSION PLAN

The Organization sponsors a simplified employee pension plan for its employees. Under the terms and conditions of the plan, the Organization contributes an amount equal to six percent (6%) of the salary of the Executive Director and office staff. Pension expense for the year ended December 31, 2012 was \$4,975.

Lawyers' Assistance Program, Inc.

**Notes to the Financial Statements
For the Year Ended December 31, 2012**

NOTE 7 – ECONOMIC DEPENDENCY

Approximately thirty-four percent (34%) of the Organization's public support for the year ended December 31, 2012 was derived from funds provided by a tobacco settlement, which was disbursed from the Louisiana Outside Counsel Health and Ethics Foundation. As of December 31, 2012, \$30,000 was receivable related to the tobacco settlement.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 10, 2013, which is that date the financial statements were available to be issued. No subsequent events were noted.

Deborah Rollo CPA

832 E Boston Street

Unit 16

Covington, LA 70433

Phone: 985-875-0500 Fax: 985-875-9511

drollocpa@gmail.com



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

April 10, 2013

To the Board of Directors
Lawyers' Assistance Program, Inc

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Lawyers' Assistance Program, Inc. (a Louisiana nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated April 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, I considered Lawyers' Assistance Program, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawyers' Assistance Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lawyers' Assistance Program, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

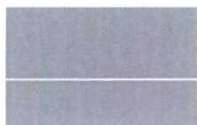
As part of obtaining reasonable assurance about whether Lawyers' Assistance Program, Inc.'s financial statements are free from material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Lawyers' Assistance Program, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "Deborah Rollo" with a stylized flourish at the end.

Deborah Rollo, CPA



Fw: LAP revised 2012 audit

Judith Dettwiller to: e reports

This message is digitally signed.

11/27/2013 09:56 AM

Judith Dettwiller

Engagement Analyst II

Louisiana Legislative Auditor

P.O. Box 94397

Baton Rouge, La 70804-9397

Phone: 225-339-3875 | Fax: 225-388-4142



----- Forwarded by Judith Dettwiller/LLA on 11/27/2013 09:55 AM -----

From: "summer_b30@yahoo.com" <summer_b30@yahoo.com>
To: "JDettwiller@lla.la.gov" <JDettwiller@lla.la.gov>,
Date: 11/27/2013 09:33 AM
Subject: LAP revised 2012 audit

If you need anything else please contact our office.

Thanks

Summer Blow
Deborah Rollo CPA
832 E Boston Street
Unit 16
Covington, La 70433
985-875-0500
9865-875-9511 fax

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